

**LEGISLATIVE FISCAL OFFICE  
ANALYSIS OF BA-7 REQUEST  
Approved By JLCB**

**DEPARTMENT:** State

**AGENDA NO.:** 1

**AGENCY:** Secretary of State

**ANALYST:** Stephanie C. Blanchard

| <u>Means of Financing</u> |                   | <u>Expenditures by Program</u> |                   | <u>T. O.</u>    |
|---------------------------|-------------------|--------------------------------|-------------------|-----------------|
| State General Fund:       | \$0               | Administrative                 | \$93,067          | 1               |
| Interagency Transfers:    | \$0               | Elections                      | \$0               | 0               |
| Self-Generated Revenue:   | \$0               | Archives & Records             | \$0               | 0               |
| Statutory Dedications:    | \$0               | Museum & Other Operations      | (\$180,675)       | (2)             |
| Federal Funds:            | \$0               | Commercial                     | \$87,608          | 1               |
| <b>Total</b>              | <b><u>\$0</u></b> | <b>Total</b>                   | <b><u>\$0</u></b> | <b><u>0</u></b> |

**I. SUMMARY/COMMENTS**

The purpose of this BA-7 request is to realign two positions and associated funding from the Museum Program to the Administrative Program and the Commercial Program, each receiving one. The positions being realigned are an IT position in the Administrative Program and a Commercial Supervisor in the Telecommunications Section of the Commercial Program and are necessary for the geauxBIZ portal project. The geauxBIZ project is a collaborative effort by the Secretary of State, LA Workforce Commission, and the Department of Revenue and is a one-stop web portal for the registration of new businesses. The IT position will work in coordination with the contractor (GCR, Inc.) on the development of the portal and afterwards, will assist in ongoing maintenance and administrative oversight of the portal. The Commercial Supervisor will work on the development stage of the live chat that will be utilized once the portal is implemented. After the portal is launched, the supervisor will train and manage the staff of the help desk. The 2 positions in the Museum Program are vacant. Funding being transferred with this BA-7 request is SGR and is for salaries (\$116,554) and related benefits (\$64,121) for the positions. The funding source of the revenues are the various fees charged by the Secretary of State for domestic corporations, limited liability companies, nonprofit corporations, foreign corporations, trade names, trademarks and service marks.

The portal has an anticipated go-live date in the Spring 2015.

**II. IMPACT ON FUTURE FISCAL YEARS**

These positions and associated funding will remain in the Administrative and Commercial Programs in future fiscal years.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE  
ANALYSIS OF BA-7 REQUEST  
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**DEPARTMENT:** Corrections

**AGENDA NO.:** 2A

**AGENCY:** David Wade Correctional Center

**ANALYST:** Stephanie C. Blanchard

| <u>Means of Financing</u> |                           | <u>Expenditures by Program</u> |                           | <u>T. O.</u>    |
|---------------------------|---------------------------|--------------------------------|---------------------------|-----------------|
| State General Fund:       | (\$250,000)               | Administration                 | \$0                       | 0               |
| Interagency Transfers:    | \$0                       | Incarceration                  | (\$250,000)               | 0               |
| Self-Generated Revenue:   | \$0                       |                                |                           |                 |
| Statutory Dedications:    | \$0                       |                                |                           |                 |
| Federal Funds:            | \$0                       |                                |                           |                 |
| <b>Total</b>              | <b><u>(\$250,000)</u></b> | <b>Total</b>                   | <b><u>(\$250,000)</u></b> | <b><u>0</u></b> |

**I. SUMMARY/COMMENTS**

This BA-7 request is a companion to BA-7 #2B on the agenda. The purpose of this BA-7 request is to decrease SGF in the amount of \$250,000 from David Wade Correctional Center. A mistake was made in the FY 15 budgeting process when an amendment to HB 1 placed this funding in David Wade Correctional Center within the Department of Corrections instead of Ware Center for Youth within the Office of Juvenile Justice.

**II. IMPACT ON FUTURE FISCAL YEARS**

Approval of this BA-7 request will have no impact on future fiscal years.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE  
ANALYSIS OF BA-7 REQUEST  
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**DEPARTMENT:** Youth Services

**AGENDA NO.:** 2B

**AGENCY:** Juvenile Justice

**ANALYST:** Stephanie C. Blanchard

| <u>Means of Financing</u> |                         | <u>Expenditures by Program</u> |                         | <u>T. O.</u>    |
|---------------------------|-------------------------|--------------------------------|-------------------------|-----------------|
| State General Fund:       | \$250,000               | Administration                 | \$0                     | 0               |
| Interagency Transfers:    | \$0                     | North Region                   | \$0                     | 0               |
| Self-Generated Revenue:   | \$0                     | Central/Southwest Region       | \$0                     | 0               |
| Statutory Dedications:    | \$0                     | Southeast Region               | \$0                     | 0               |
| Federal Funds:            | \$0                     | Contract Services              | \$250,000               | 0               |
|                           |                         | Field Services                 | \$0                     | 0               |
| <b>Total</b>              | <b><u>\$250,000</u></b> | <b>Total</b>                   | <b><u>\$250,000</u></b> | <b><u>0</u></b> |

**I. SUMMARY/COMMENTS**

This BA-7 request is a companion to BA-7 #2A on the agenda. The purpose of this BA-7 request is to increase SGF in the amount of \$250,000 for Ware Center for Youth. A mistake was made in the FY 15 budgeting process when an amendment to HB 1 placed this funding in David Wade Correctional Center within the Department of Corrections instead of Ware Center for Youth within the Office of Juvenile Justice. This funding is to be utilized for operational expenses for Ware Center for Youth.

**II. IMPACT ON FUTURE FISCAL YEARS**

Approval of this BA-7 request will have no impact on future fiscal years.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE  
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**DEPARTMENT:** Public Safety  
**AGENCY:** Motor Vehicles

**AGENDA NO.:** 3  
**ANALYST:** Matthew Labruyere

| <u>Means of Financing</u> |                           | <u>Expenditures by Program</u> |                           | <u>T. O.</u>    |
|---------------------------|---------------------------|--------------------------------|---------------------------|-----------------|
| State General Fund:       | \$0                       | Licensing                      | \$1,181,921               | 0               |
| Interagency Transfers:    | \$0                       |                                |                           |                 |
| Self-Generated Revenue:   | \$0                       |                                |                           |                 |
| Statutory Dedications:    | \$1,181,921               |                                |                           |                 |
| Federal Funds:            | \$0                       |                                |                           |                 |
| <b>Total</b>              | <b><u>\$1,181,921</u></b> | <b>Total</b>                   | <b><u>\$1,181,921</u></b> | <b><u>0</u></b> |

**I. SUMMARY/COMMENTS**

The purpose of this BA-7 request is to increase budget authority for the Insurance Verification System Fund in the amount of \$1,181,921 for the development of a real-time insurance database and purchase equipment for the database as a result of Act 641 of 2014. The Act provides for the creation of a real-time automotive liability insurance information database as well as increasing the fees for motorists that operate a vehicle without automotive liability insurance. In addition, the Act created the Insurance Verification System Fund that will receive the increased penalty amounts and will fund the real-time database, the State Police pay raise, sheriff's housing for parole violators, additional assistant district attorneys, and other public safety and law enforcement purposes.

The \$1.2 M increase in budget authority will allow the Department of Public Safety (DPS) to purchase equipment for the database (\$110,500), funding for overtime costs for DPS programmers to modify the current Office of Motor Vehicles system and create an interface for the new database (\$71,421) and for a professional services contract to develop the real-time insurance database (\$1.0 M).

DPS estimates the changes to the current system will require 2,200 hours of overtime for IT programmers. At \$32 per hour, the overtime expense is expected to be \$71,421 (2,200 hours x \$32 = \$70,400 for salaries; \$70,400 X 1.45% = \$1,021 for Medicare costs). The cost to enter into a professional services contract for the real-time insurance database for automotive liability insurance is projected at \$1,000,000, and \$110,500 for the purchase of web and blade servers, hardware with Dell blade servers, VMWare software licenses, and network switches for operating the database. DPS expects to issue a Request for Proposals (RFP) for the real-time database by December 2014.

These costs will be funded from the reinstatement and notice of violation fees that were increased as a result of Act 641. To the extent the violations issued and paid remain constant, the increased fees are estimated to generate \$53 M. As of 7/31/2014, \$1,033,060 has been deposited into the fund.

**II. IMPACT ON FUTURE FISCAL YEARS**

In future fiscal years, the professional services contract is expected to remain at \$1,000,000 to maintain the real-time database. Maintaining the database by the vendor may include issuing and maintaining the credentials for OMV, law enforcement, courts, and auto dealers to access the database, providing a call center, printing and mailing forms for the compulsory insurance program, and possibly handling clearance services. This cost will be paid with fee collections that are deposited into the Insurance Verification System Fund. It should be noted that the full extent of services provided by the vendor will not be known until the final contract is approved.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**August 14, 2014**

**LEGISLATIVE FISCAL OFFICE**  
**ANALYSIS OF BA-7 REQUEST**  
**Approved By JLCB**

**DEPARTMENT:** Public Safety  
**AGENCY:** Motor Vehicles

**AGENDA NO.:** 4  
**ANALYST:** Matthew Labruyere

| <u>Means of Financing</u> |                         | <u>Expenditures by Program</u> |                         | <u>T. O.</u>    |
|---------------------------|-------------------------|--------------------------------|-------------------------|-----------------|
| State General Fund:       | \$0                     | Licensing                      | \$261,310               | 5               |
| Interagency Transfers:    | \$0                     |                                |                         |                 |
| Self-Generated Revenue:   | \$261,310               |                                |                         |                 |
| Statutory Dedications:    | \$0                     |                                |                         |                 |
| Federal Funds:            | \$0                     |                                |                         |                 |
| <b>Total</b>              | <b><u>\$261,310</u></b> | <b>Total</b>                   | <b><u>\$261,310</u></b> | <b><u>5</u></b> |

**I. SUMMARY/COMMENTS**

The purpose of this BA-7 is to increase Office of Motor Vehicles' (OMV) self-generated revenue (SGR) budget authority in the amount of \$261,310 and increase T.O. positions by 5 as a result of Act 802 of 2014. Act 802 provides for the removal of license plates on vehicles owned and driven by persons with suspended or revoked driver's licenses. As a result of removing license plates, law enforcement submits the plates to the local OMV office to be processed. After the plate is removed and submitted to OMV, the person whose plate was removed must go to the local OMV to pay a reinstatement fee of \$10 to receive that plate. To handle the increased processing, five additional Motor Vehicle Compliance Analysts will be needed.

In FY 13, there were approximately 307,000 persons with suspended or revoked licenses. To the extent 10% of those drivers would be issued a violation, 30,700 violations may be issued annually. Act 802 provides for a \$10 reinstatement fee to be charged for removing a license plate due to a revoked or suspended driver's license, which would generate \$307,000 (307,000 suspended or revoked drivers x 10% violation issuance x \$10) in reinstatement fees. The revenue generated by fee collections would be used to offset expenditures for OMV.

The \$261,310 would cover all expenses associated with 5 additional T.O. within OMV. The cost of 5 additional analysts for the remainder of FY 15 would be \$249,185 (\$49,837 average salary and benefits x 5 analysts). This amount is prorated for 22 pay periods since the fiscal year has already began. The total cost of salaries and benefits for 5 personnel would be \$275,122 (\$55,024 average salary and benefits x 5 analysts). In addition to personnel costs, operating expenses would cost \$775 per employee for a total of \$3,875. The operating costs include supplies, telephone, and maintenance costs. Finally, the cost to provide violation stickers and tickets that will be used by law enforcement will be approximately \$8,250.

To the extent OMV collects more than \$261,310 from the \$10 reinstatement fees, the additional collections can be used throughout the department for any obligation. In the event collections are lower than anticipated, OMV will be able to absorb some costs. However, in the event collections are much lower than anticipated, then OMV will take necessary action to address the shortfall. This could be accomplished through reduced operating expenses, personnel reductions, or using other funding within DPS. It should be noted that reducing operating expenses and /or personnel is not anticipated by the department.

**II. IMPACT ON FUTURE FISCAL YEARS**

In FY 16, personnel costs will increase by \$25,937 since the analysts will be paid for a full year instead of part of the year. In subsequent fiscal years, personnel costs may increase as a result of merits awards to employees and operating services may increase with inflation.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**August 14, 2014**